

Competition Commission places conditions on Pakco deal with Rhodes Food

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The Competition Commission placed conditions on two food-group-related deals on Tuesday: Belgian confectioner Puratos's acquisition of half of Bidcorp's bakery division, and Rhodes Food's acquisition of instant mix maker Pakco.



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The commission said it was dissatisfied with restraint of trade obligations Puratos and Bidcorp proposed to apply to their employees.

"Having considered the restraint of trade, the act and the relevant case law, it is the Commission's view that the restraint results in a substantial lessening of competition as it is not reasonable and justifiable. Therefore, the transaction is approved subject to conditions," it said in Tuesday's statement.

Regarding Rhodes Food's acquisition of Pakco, the Commission said it was worried about jobs.

"The Commission has approved the merger subject to the condition, among others, that the merging parties do not retrench the affected employees," it said.

Bidcorp, the food businesses of Bidvest separately listed in June 2016, announced its deal with Puratos in December. It said the Brussels-headquartered multinational would become an equal partner, without disclosing how much would be paid for half of Bidcorp Bakery Solutions (BBS).

The rationale for the deal was to help both groups expand outside SA into the rest of Africa.

Durban-based Pakco's brands include Bisto packet sauces, Trotters and Hinds instant desserts, and Gold Dish canned foods.

Other deals approved by the Competition Commission on Tuesday included Times Media Group's acquisition of Smartcall Technology Solutions.

The Commission approved the deal without conditions, saying it was unlikely to substantially prevent or lessen competition and did not raise any public-interest concerns.

Source: BDpro

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